

30-025-40711

SURFACE USE PLAN OF OPERATIONS
CHEVRON U.S.A. INC

HOBBS OCD

AUG 02 2012

Cross Bones 1 29 #2H
1980' FSL and 990' FWL
Sec 29, 18S, 32E
NM, Lea Co

RECEIVED

LOCATED: 24 Miles S from Maljamar

FEDERAL LEASE NUMBER: NM-96855

LEASE ISSUED: 6/1/1996-Producing & Held by production by North Lusk Fed #1

ACRES IN LEASE: 560

RECORD LESSEE: Chevron U.S.A. Inc.

SURFACE OWNERSHIP: Bureau of Land Management

GRAZING PERMITTEE: Kenny Smith (575) 390 -12 47

POOL: Bone Spring

POOL RULES: Field rules are for no wells to be located closer than 330' to any ¼ section line to be 330' from the lease line and 330 from the nearest well.

EXHIBITS: A - Location map, Well plat, vicinity map, and dedication plat

B - Access Road

C - Electrical Map and Frac Pond

D - Location of Existing Wells

E - Facilities Map (No Exhibit E, Facilities are pre-existing)

F - Drilling Rig Layout Diagram

G - Interim Reclamation Map

H - Archeological Survey Report

AUG 06 2012

1. EXISTING ROADS

Exhibit A shows the Proposed Well Site and Exhibit B shows the Access Route. To reach the point where the Exhibit B survey begins, you will head West on 62-180 out of Hobbs, NM approximately 40 miles; turn North on State Highway 176 to L126, go approximately 11 miles to where the Exhibit "B" begins.

2. PLANED RESOURCES ROAD

Existing Roads will be utilized until we reach the existing North Lusk 29 Federal #1 well location. A new road will be build using Caliche coming off of the Southwest corner of North Lusk 29 Federal #1 location headed due west, further described in the attached Exhibit "B". Power lines will follow the route as described in Exhibit C.

3. LOCATION OF EXISTING WELLS Map Exhibit D

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

A processing facility is located on the location pad of the North Lusk 29 Federal #1 well location. The existing standard battery is constructed north of the Cross Bones 1 29 #1H well location. The battery includes tanks, a production separator, test separator, header, heater treater, gas scrubber, VRU, and pipe. A 2-7/8" steel surface flowline will run from the well to the battery. Oil and water will be trucked. Locations and descriptions of the proposed pad, flowline, and road are shown on the individual surveyor's plats.

5. LOCATION AND TYPE OF WATER SUPPLY

Water necessary for drilling will be purchased and truck to the Frac Pond located as described in the attached Exhibit C.

6. CONSTRUCTION MATERIAL

Caliche needed to build the well pad will be trucked to location from the closest available caliche source.

7. METHOD OF HANDLING WASTE DISPOSAL

- 7.1 Drill cuttings and fluids will be hauled to an approved disposal facility (CRI, Sunset)
- 7.2 Water produced during test will be disposed of at commercial or company facilities
- 7.3 Oil produced during test will be stored in test tanks until sold
- 7.4 Trash, waste paper, garbage and junk will be stored in a trash bin located on the drill site pad. It will be transported to an approved land fill for disposal within 30 days after completion of operations. All waste material will be contained to prevent scattering by the wind. Location of trash bin on the NE corner of the drill pad.

8. ANCILLARY FACILITIES

There will be no ancillary facilities.

9. WELL SITE LAYOUT

Please see the attached Exhibit F.

10. PLANS FOR SURFACE RECLAMATION

- 10.1 After completion of the drilling and/or completion of operations, all equipment and other material not necessary for operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible.
- 10.2 Frac pond will be removed within six months of cessation of drilling and/or completion operations that require its use.
- 10.3 After abandonment, all equipment, trash and junk will be removed and the well site will be cleaned. Any special reclamation and/or special re-vegetation requirements of the Surface Management Agency will be complied with and will be accomplished as rapidly as possible. Interim Reclamation Map Plan: Exhibit G

11 SURFACE OWNERSHIP

The Bureau of Land Management owns the surface of this tract.

12 OTHER INFORMATION

- 12.1 Topography: The land surface in the area of the well is mostly flat and sandy with Mesquite, Shinnery and Sage.
- 12.2 Soil: Rocky and Sandy.
- 12.3 Flora and Fauna: The vegetation cover is moderate and includes range grasses, weeds, scrub oak bushes and mesquite bush. Wildlife in the area is that typical of a semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, hawks, dove, quail and other small birds.
- 12.4 Ponds and Streams: There are no rivers, lakes, ponds or streams in the area.
- 12.5 Residences and Other Structures: None.
- 12.6 Land Use: Grazing, oil and gas production and wildlife habitat.
- 12.7 Archeological Report #: 122881. Exhibit H

13 OPERATIONS REPRESENTATIVE

Darrell Hammons
Drilling & Completions Operator
1400 Smith Road
Houston, TX 77002
Office: 713-372-5747

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed oil drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are to be best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Chevron U.S.A. Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for filling of a false statement.

06-18-2012

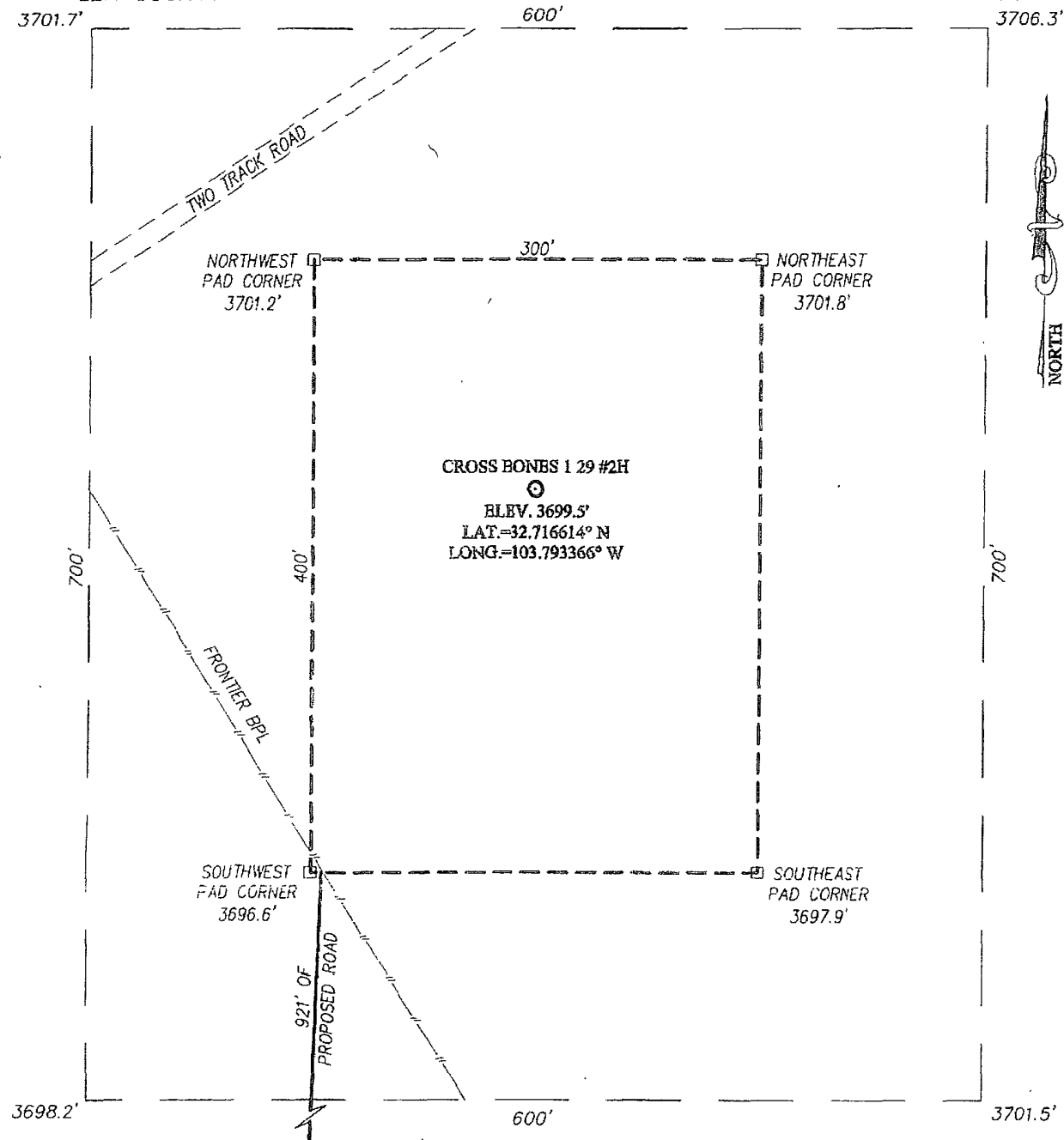
Date

Darrell Hammons / JAD
Darrell Hammons
Drilling & Completions Operator
Houston, TX

SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.

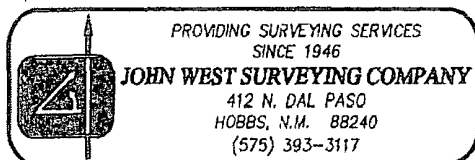
LEA COUNTY

NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #529 AND CO. RD. #126 (MALJAMAR RD.), GO SOUTH ON CO. RD. #126 APPROX. 5.7 MILES. THIS LOCATION STAKE IS APPROX. 525 FEET EAST.

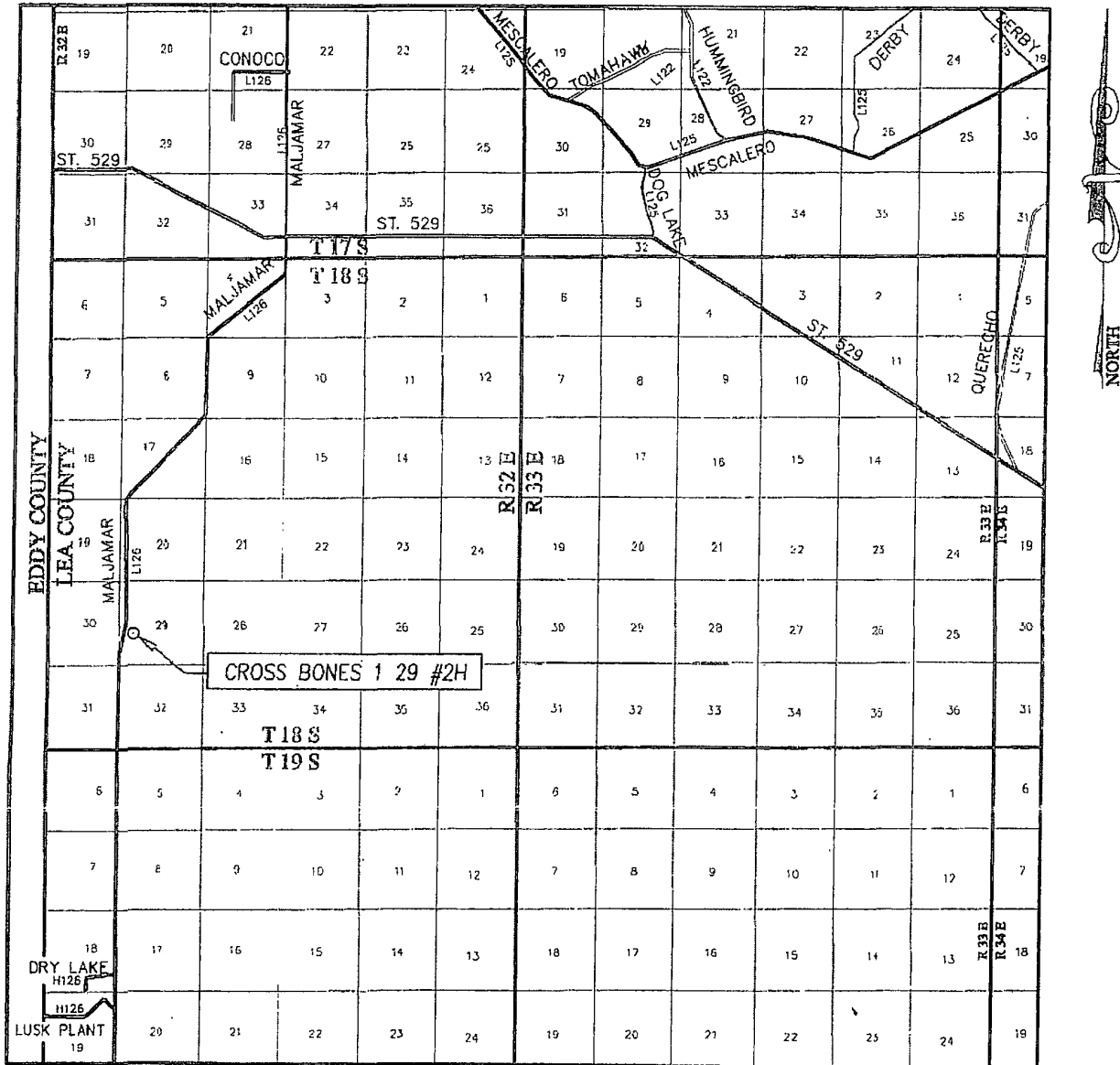


CHEVRON USA INC.

CROSS BONES 1 29 #2H WELL
LOCATED 1980 FEET FROM THE SOUTH LINE
AND 990 FEET FROM THE WEST LINE OF SECTION 29,
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

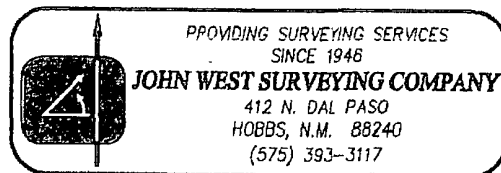
Survey Date: 6/7/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.1115	Dr. By: DSS
Date: 8/3/11	Rel. W.O.: 1111115
	Scale: 1"=100'

VICINITY MAP

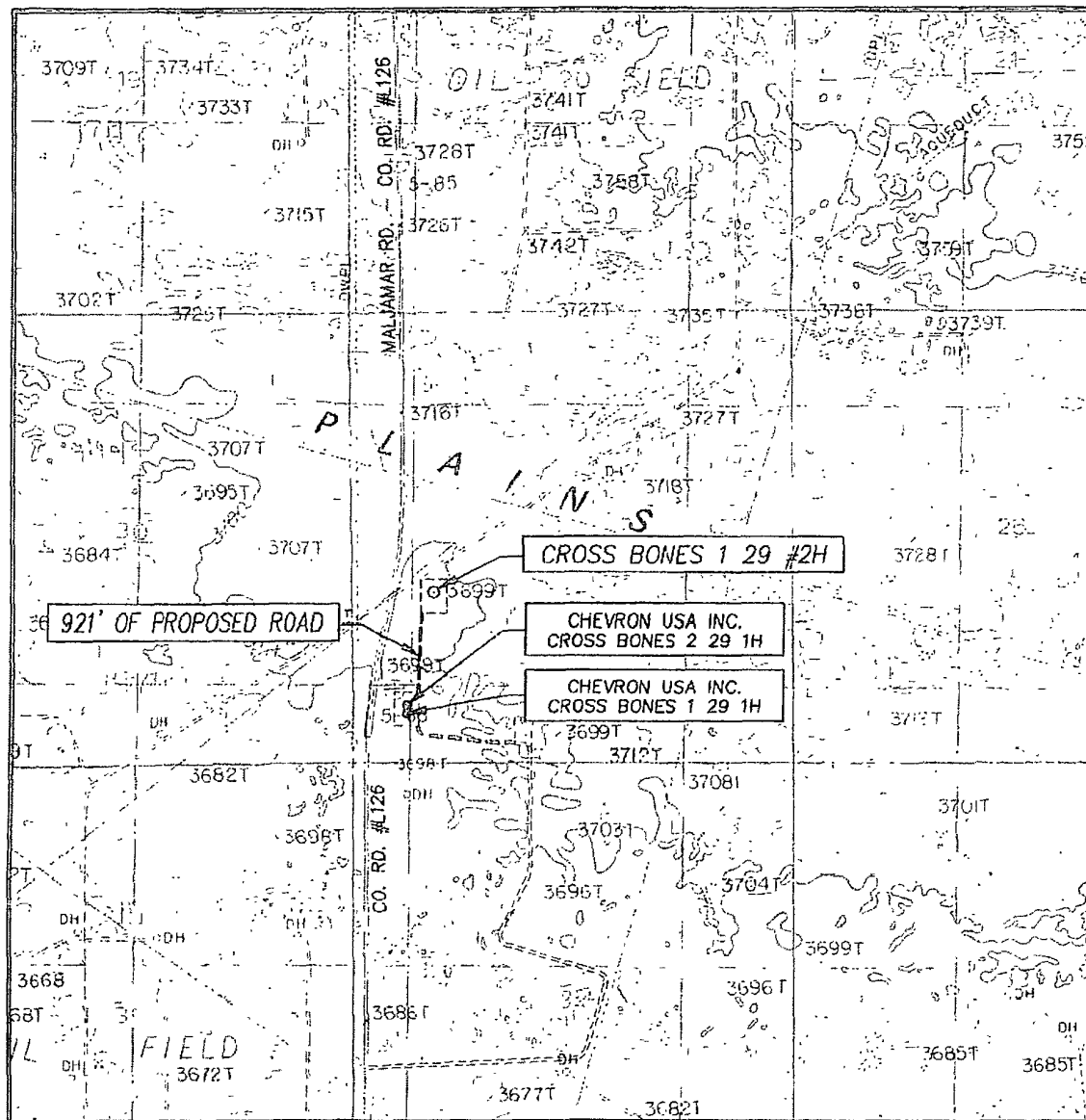


SCALE: 1" = 2 MILES

SEC. 29 TWP. 18-S. RGE. 32-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1980' FSL & 990' FWL
 ELEVATION 3699'
 OPERATOR CHEVRON USA INC.
 LEASE CROSS BONES 1 29

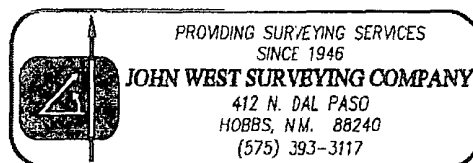


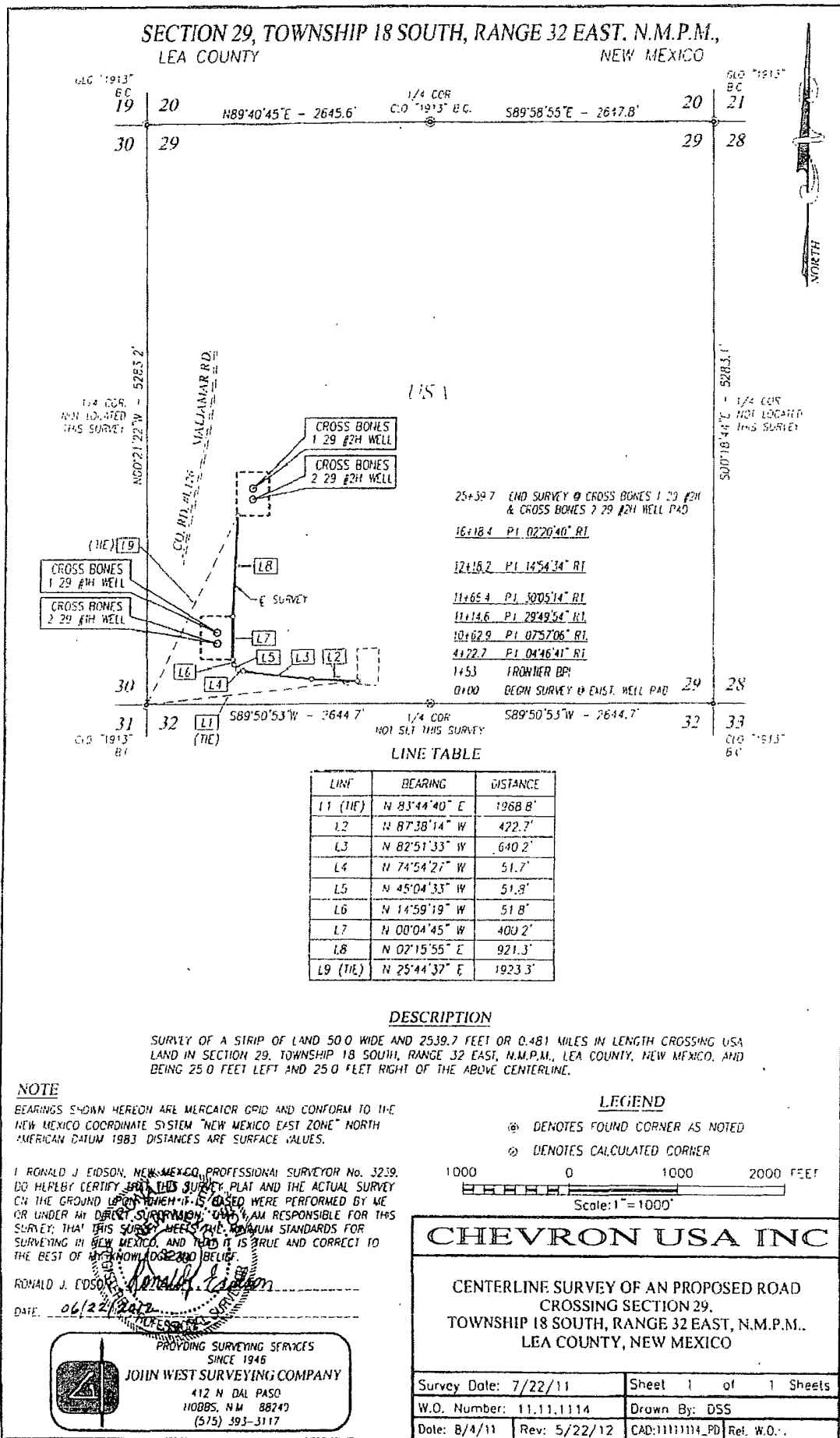
North



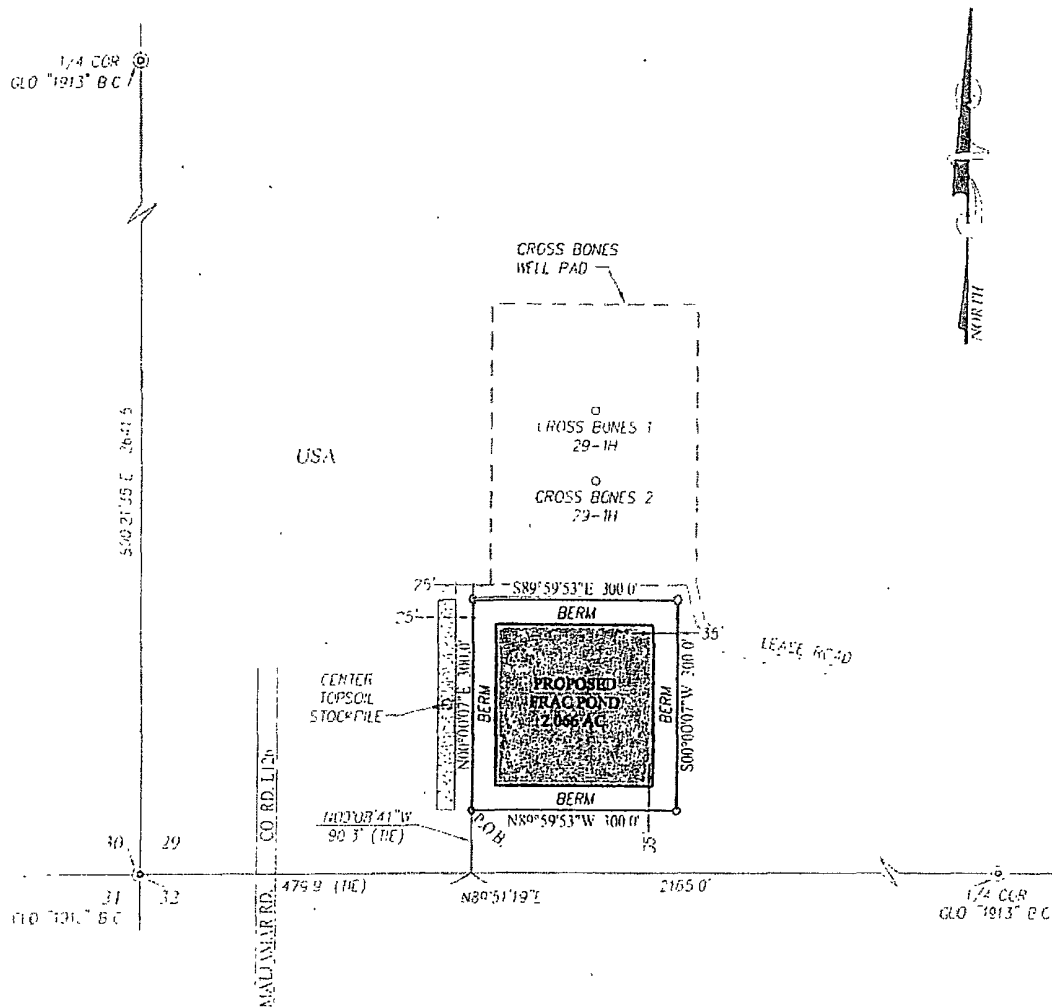
CONTOUR INTERVAL:
GREENWOOD LAKE, N.M. - 10'

U.S.G.S. TOPOGRAPHIC MAP
GREENWOOD LAKE, N.M.





SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY NEW MEXICO



DESCRIPTION:

A FRAC POND SITUATED IN THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

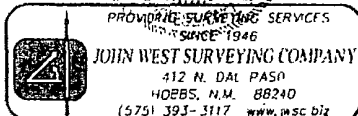
BEGINNING AT A POINT IN THE SOUTHWEST QUARTER, WHICH LIES N89°51'19\"/>

NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983 DISTANCES ARE SURFACE VALUES

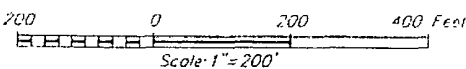
I, RONALD J. EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 3739, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

RONALD J. EIDSON
DATE: 05/31/2012



LEGEND

- ⊙ DENOTES FOUND CORNER AS NOTED
- DENOTES SET SPIKE NAIL



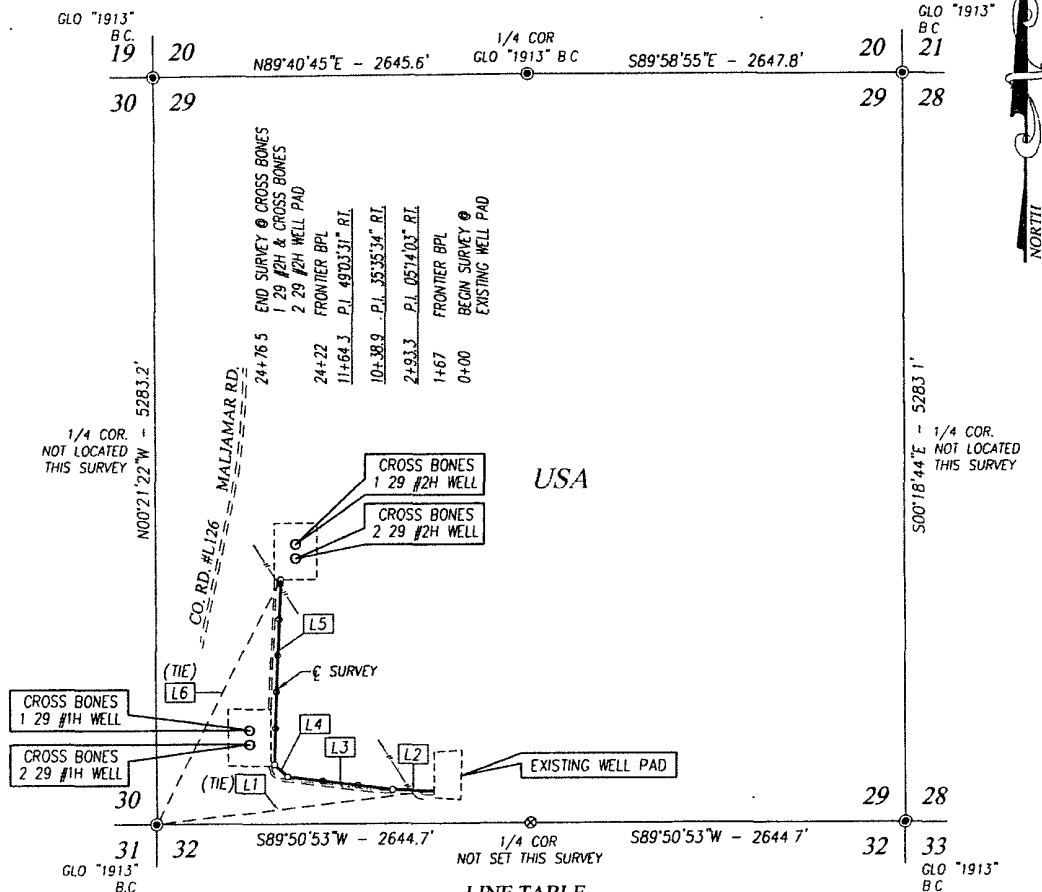
CHEVRON USA INC.

SURVEY FOR THE CROSS BONES FRAC POND
SITUATED IN THE SW/4 OF SECTION 29,
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

Survey Date: 5/15/12	CAD Date: 5/24/12	Drawn By: CSS
W.O. No.: 12110921	Rev.:	Rel W.O.

Sheet 1 of 1

SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY NEW MEXICO



LINE TABLE

LINE	BEARING	DISTANCE
L1 (TIE)	N 83°12'05" E	1970.4'
L2	N 88°05'22" W	293.3'
L3	N 82°51'19" W	745.6'
L4	N 47°15'45" W	125.4'
L5	N 01°47'46" E	1312.2'
L6 (TIE)	N 26°44'03" E	1939.9'

DESCRIPTION

SURVEY OF A STRIP OF LAND 50.0 WIDE AND 2476.5 FEET OR 0.469 MILES IN LENGTH CROSSING USA LAND IN SECTION 29, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO, AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE CENTERLINE.

NOTE

1) BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

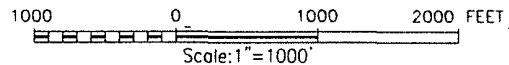
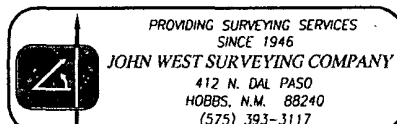
LEGEND

● DENOTES FOUND CORNER AS NOTED

I, RONALD J. EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 3239, DO HEREBY CERTIFY THAT THIS SURVEY PLAN AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED, WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION, TAKEN AND RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

RONALD J. EIDSON

DATE: 06/22/2012



CHEVRON USA INC.

CENTERLINE SURVEY OF A MULTI-USE
RIGHT-OF-WAY CROSSING SECTION 29,
TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 7/22/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.1114	Drawn By: DSS
Date: 8/4/11	Rev: 5/22/12
CAD: 11111114_Elec	Rel. W.O.:

D - EXISTING WELLS

